

under the above programmes.

The Government have been also assisting the State Handloom Corporations, State Apex Handloom Weavers Coop. Societies and Primary Handloom Weavers Coop. Societies in marketing of their products through the "Market Development Assistance" scheme. Under this major scheme these organisations are assisted according to their annual turnover sales etc. During 1995-96, a sum of Rs. 4687.21 lakhs was released under MDA.

Refinancing Rates of NABARD

3574. SHRI ASHOK PRADHAN : Will the Minister of FINANCE be pleased to state :

(a) whether the National Bank for Agriculture and Rural Development propose to raise refinancing rates for commercial banks, co-operative banks and other Land Development Banks;

(b) if so, the details thereof and the reasons therefor;

(c) whether the priority sector lending is likely to be adversely affected as a result thereof; and

(d) if so, the reaction of the Government thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) The rate of interest on short term (seasonal agricultural operation) credit limits to cooperative banks from National Bank for Agriculture and Rural Development (NABARD) used to range from 3% per annum to 6.5% per annum depending upon the percentage of State Cooperative Banks (SCBs) borrowings from NABARD to ST (SAO) loans outstanding against Primary Agricultural Credit Societies (PACs). These rates have been revised with effect from 1st July, 1996 as below :—

Percentage of SCB's borrowing from NABARD to ST (SAO) loans outstanding against PACs	Rate of interest (% p.a.)
Less than 35	5.0
35 & above but less than 40	5.5
40 & above but less than 45	6.0
45 & above but less than 50	6.5
50 & above but less than 55	7.0
55 and above	7.5

However, the interest rate on refinance for limits under ST (SAO Development of Tribal Population) would be 5% p.a. irrespective of the level of borrowings. Similarly, ST (SAO) refinance on all cooperative banks in North-Eastern region will be at 5% p.a. The interest rate on refinance to Regional Rural Banks (RRBs) for ST (SAO) purposes has remained unchanged at 6.5% p.a.

The rate of interest on medium and long term

refinance assistance to Commercial Banks, RRBs and Land Development banks has not undergone any change since 1.8.1995.

(c) and (d) The refinance support from NABARD forms only a part of the total resources of the cooperatives and RRBs. Due to the increase in refinance rates as aforesaid, there may be some increase in the cost of funds and therefore, in the viable lending rates. However the demands for credit is not likely to be so strongly dependent on the interest rates, as it is on the timeliness or adequacy of credit.

Further, the deregulation of interest rates that may be charged to ultimate borrowers by cooperative credit institutions and RRBs would enable them to raise deposits/borrowings from the market at competitive rates thereby augmenting the availability of loanable funds with these institutions.

Budgetary Support to Public Sector Enterprises

3575. SHRI ANANTH KUMAR : Will the Minister of INDUSTRY be pleased to state :

(a) whether the budgetary support to Public Sector Enterprises has come down considerably since 1990-91;

(b) if so, the details thereof, year-wise;

(c) whether some Public Sector Enterprises have not been allowed to raise resources through instruments like Global Depository Receipts;

(d) if so, the details thereof;

(e) whether some Public Sector Enterprises are facing acute shortage of funds; and

(f) if so, the steps being taken to improve the funds?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) the year-wise budgetary support to Central Public Sector Enterprises since 1990-91 are as under :—

Year	Budgetary Support (Rs. in Crores)
1990-91	5541
1991-92	4376
1992-93	4044
1993-94	4847
1994-95	5291
1995-96	5103
1996-97 (B.E.)	5038

(c) and (d) The application of any PSU for flotation of Global Depository Receipts has not been rejected so far by the Government.

(e) and (f) The requirement of funds by the PSUs and the means for meeting the requirement keep varying from time to time and depends upon general conditions in the money market and availability of funds with the PSUs and the Government. Need based financial assistance is also provided by the Govt. to overcome resources constraints, subject to the availability of funds.

Bank Loans in Ladakh

3576. SHRI P. NAMGYAL : Will the Minister of FINANCE be pleased to state :

(a) the total amount deposited in the State Bank of India (SBI) of Leh and Kargil of Ladakh as on March 31, 1996, branch-wise;

(b) the total amount advanced to entrepreneurs under State and Centrally sponsored schemes in Leh and Kargil districts during 1993-94, 1994-95 and 1995-96 separately;

(c) the total amount advanced to private individuals/agencies other than State and Centrally sponsored Schemes during the above period;

(d) whether new entrepreneurs in Leh and Kargil districts are agitated against the (SBI) Leh and Kargil for not financing their schemes which were recommended by the Rural Development and District Industries Departments of Leh and Kargil districts; and

(e) if so, the remedial steps proposed to be taken in the matter and the details of the new entrepreneurs alongwith amount advanced to them during 1993-94, 1994-95 and 1995-96 separately?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) As reported by State Bank of India (SBI), the branch-wise total amount deposited in their branches at Leh and Kargil Districts of Ladakh as on 31.3.1996 is given below :—

S.No.	Branch	Amount of Deposit (Rs. in thousands)
District : Kargil		
1.	Kargil	91412
2.	Drass	12786
3.	Shakar	10019
4.	Shargole	8351
Total		122568
District : Leh		
1.	Leh	278673
2.	Chuglamsar	40877

3. Toa Leh 51546

4. Saspol 27786

Total 398882

(b) The total amount advanced by SBI to entrepreneurs under State and Centrally sponsored schemes in Leh and Kargil districts during the years 1993-94, 1994-95 and 1995-96 is given below :—

(Amount in Rs. thousands)			
District	1993-94	1994-95	1995-96
Leh	545	1066	2013
Kargil	571	941	2569
Total	1116	2007	4582

(c) The total amount advanced to private individuals/agencies other than State and Centrally sponsored schemes during the years 1993-94, 1994-95 and 1995-96 is as under :—

(Amount in Rs. thousands)			
District	1993-94	1994-95	1995-96
Leh	7140	13345	15222
Kargil	1979	1865	1853
Total	9119	15210	17075

(d) and (e) State Bank of India has further reported that none of the new entrepreneurs in Leh and Kargil districts is agitated against the SBI Leh and Kargil for not financing their schemes which were recommended by the Rural Development and District Industries Departments of Leh and Kargil Districts. The total amount advanced to entrepreneurs Sponsored/recommended by DRDA/DIC is as given in part (b) above.

Status of UCO Bank

3577. DR. RAMKRISHNA KUSMARIA : Will the Minister of FINANCE be pleased to state :

(a) whether attention of the Government has been drawn to the news item captioned "UCO Bank may lose B — category status" appearing in the Economic Times dated July 14 1996;

(b) if so, the facts thereof; and

(c) the steps taken or proposed to be taken to improve the performance of UCO Bank?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) Yes, Sir. For the year ending 31st March, 1996, UCO Bank has made an operating loss of Rs. 26.2 crores. In view of this, the